

HAWKE'S BAY REGIONAL COUNCIL

Organisational Performance Report

1 July 2018 to 31 January 2019



Prepared 25 February 2019

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Executive Summary

The purpose of the Organisation Performance (OP) report is to provide a snapshot of the programme of activities agreed to deliver the objectives of the annual plan, Long-Term Plan (LTP) and corporate support that underpins the organisation. This report covers both financial and non-financial measures and is for the period 1 July 2018 to 31 January 2019.

The Financial Information section of the report covers operating and capital expenditure and income to Council. The report also covers the following functions:

- Human Resources
- Media
- LGOIMA
- Risk
- Maori Partnerships
- Integrated Catchment Management (ICM)
- Corporate Services
- Asset Management
- Civil Defence Emergency Management (CDEM)
- Policy and Planning
- Transport
- Regulation

The **financial summary** performance indicators are:

- ✓ Operating expenditure is largely on budget with some underspend due to delays in recruiting of planned new staff, however full year-end operating expenditure is expected to be on budget.
- ✗ Capital expenditure is significantly underspent due to the timing of some significant projects, and some are still in implementation phase. A number of these capital expenditure projects run over several years and we should have an accurate forecast as to how this expenditure is tracking against budget later in the year.
- ✗ Income is behind budget due to the selection and process for initiation of dual fund managers being more complex than anticipated.

The **non-financial activities** of the report cover:

- The agreed Performance Measure for each activity
- Actual performance achieved year-to-date (YTD)
- Commentary/Highlights on the Actual Performance which explain why the performance level is at the level achieved
- Explanation where necessary when any reforecasting of future performance is required.

High-level non-financial performance indicator results show:

- ICM Science section published 9 reports in this report period
- 1270 Biosecurity Total Control sites visits including 38 high risk sites, have occurred

- Significant pest control and eradication programmes are occurring resulting in the culling of identified pests
- Cross organisation discussions with a number of entities including Horizons, Department of Conservation (DOC) and Gisborne District Council (GDC), is resulting in timely and co-ordinated working strategies such as pest management
- There is a new CDEM/Police command control centre being built in Hastings which will improve response capability and timeliness
- With the appointment of our new Te Pou Whakarae within the Maori Partnership group, we are aiming to improve Council-wide understanding and embracement of Maori culture, customs and practices
- The Council has a pro-active and structured approach to managing risk and the quality of information has improved significantly over the last year with the result of a far higher awareness of our key risks
- The Council established a dedicated Project Management Office (PMO) during the year, which is currently actively supporting 19 pilot projects. The consistent framework with templates, training and tools implemented by the PMO will be reviewed in April this year and the results of this review will be published in a report for C&S in June 2019.

Given this is the first comprehensive performance report produced by Council, it is anticipated that extra functionality will be introduced over time. Future reports will cover:

- Communications
- Works Group activities
- Road Safe Hawkes Bay
- Council's progress to be carbon neutral

It is anticipated that future reports will also include outcomes reporting against the LTP and the Strategic goals.

Financial Information

Operating

Overall operating expenditure is largely on budget, with some exceptions; delays in recruitment of new staff as budgeted in the LTP has resulted in some cost savings, however, additional Westshore renourishment and Port Consultation costs have significantly exceeded budget by \$139,000 and \$231,000 in external costs respectively, staff are considering ways to mitigate the impact to the year end results.

Capital

Overall capital expenditure is significantly behind budget due to major projects that have been delayed or are in implementation stages. These are River design and construction for the Heretaunga Plains uplift and the renewal programme for Heretaunga Plains pump stations. These projects are behind budget due to the challenges related to hiring staff with the appropriate skills and experience in this area. Farm Environmental Management Plans (FEMP) has had slow uptake from the public outside of the Tukituki and Erosion Control Schemes (ECS) are behind budget due to timing and should progress from here. Biodiversity capital spend is behind budget as they are in the process of forming agreements with land occupiers of the candidate sites for access and long term protection.

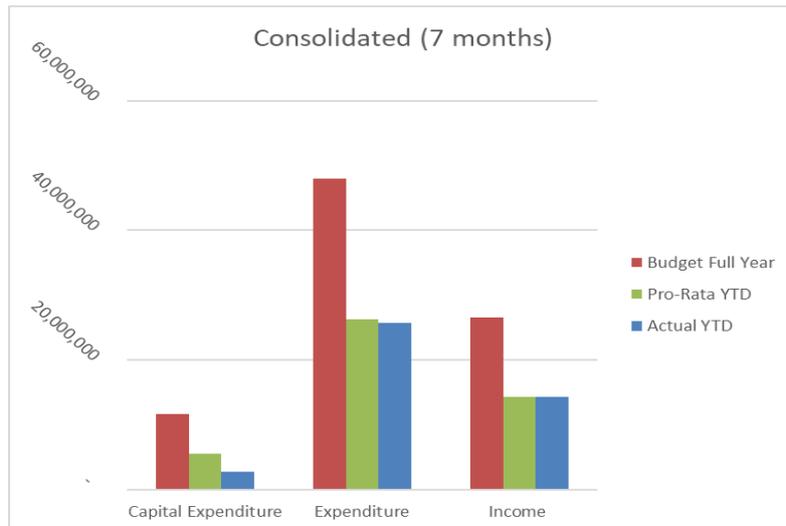
Income

The returns on investment income are behind budget. The process of selecting and appointing dual fund managers and distributing funds has taken much longer than anticipated. The time delay has meant that funds have been in short term deposits earning less than 3% compared to a budgeted return of 4.5% for much of the year to date. There is currently a \$478,000 negative variance however with the funds now fully placed there may be some recovery by the end of the year. Council will continue to be updated on the overall performance and of any mitigation that may be required.

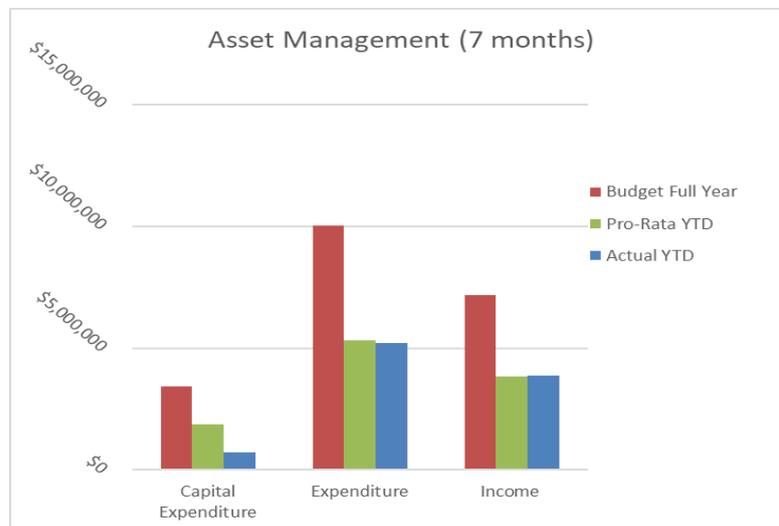
Reforecast

A full year reforecast will take place at the end of March based on 9 months actuals, it will be presented to Council in April. This will account for all variations from budget both favourable and unfavourable and will give an anticipated year end position.

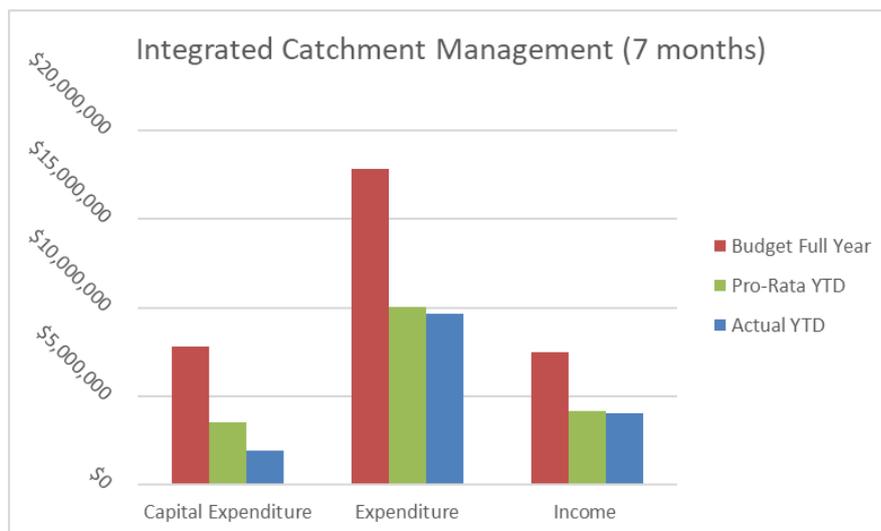
Individual Groups of Activities



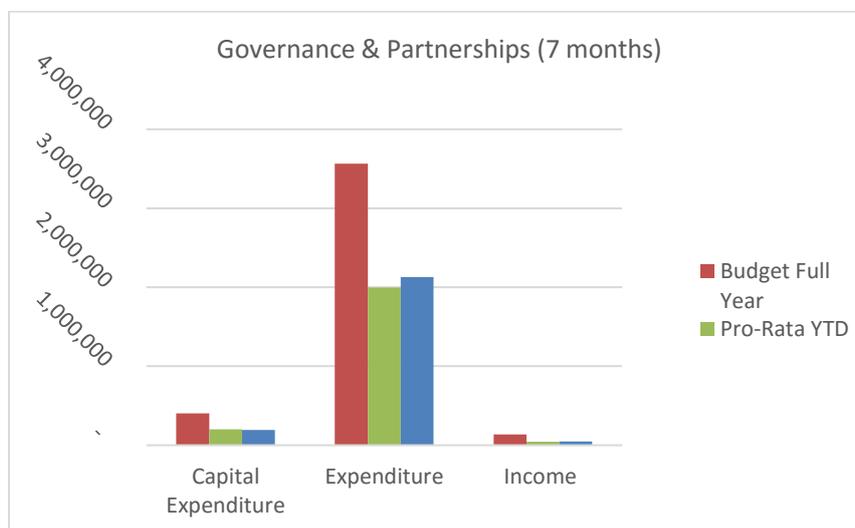
Operating expenditure slightly behind pro-rata budget due to the delays in recruitment of extra staff factored into the Long Term Plan and the slower than anticipated spending on external consultancy which will increase over the next few months for projects such as the Water Conservation Order.



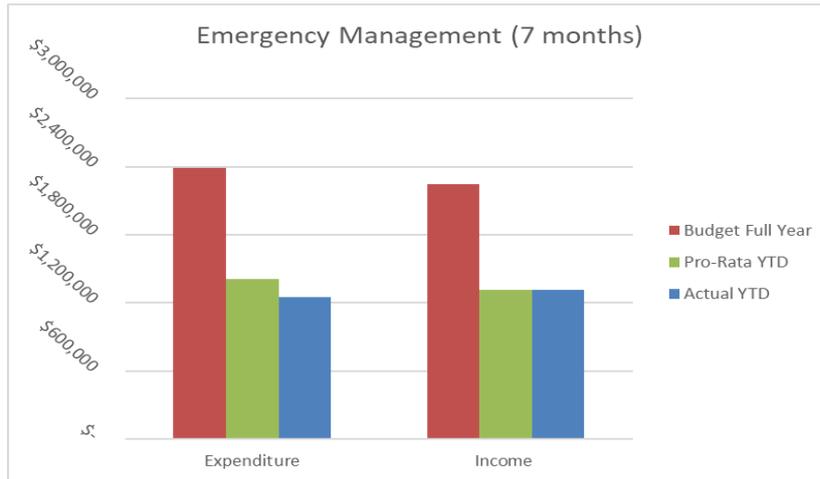
Operating expenditure largely on track for the seasonal maintenance programme. There has been additional spending for the Westshore renourishment programme to be funded by an increase in general funding next year. Income remains on target as the majority of these projects are funded by targeted rates. Capital expenditure is well behind budget mostly due to internal resourcing which has been addressed and will be included in the 2019/20 Annual Plan. This includes the capital work on river design and construction for the Heretaunga Plans Flood Control Scheme uplift and the renewal programme for Heretaunga pump stations.



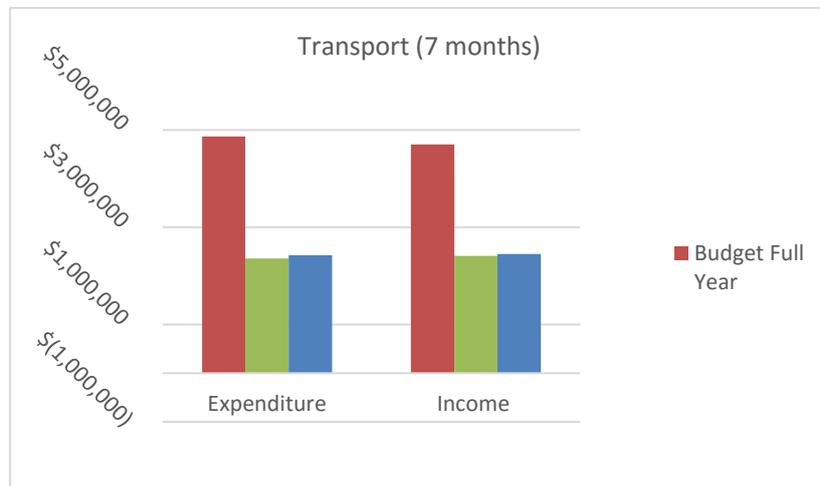
Operating expenditure is behind budget due to slow progress in the environmental hotspot projects and the start of the future farming project. Environmental hotspots are tracking as expected with the majority of the costs occurring closer to winter. Future farming is still in the implementation stage and a working group has been established who are looking at future structures. The budget for the year will be underspent. The rest of the business as usual projects are tracking on budget. Capital expenditure is slower than anticipated for the FEMP scheme, ECS and Biodiversity capital spend. This is due to set up of the policy, networks and the uptake from the public. These are all loan funded and therefore the funding is only drawn down when required.



There are two projects with significant variances to budgets. The Tangata Whenua Engagement project is under budget due to delays in recruitment of planned staff as per the LTP and an existing vacancy. Port Consultation costs exceed the budget. They are currently \$360k vs the budget of \$100k. There is consideration about where these costs should sit with potential to move some of these to Hawkes Bay Regional Investment Company (HBRIC) Ltd and effectively wrap up into the costs of the transaction.



Emergency management is slightly behind budget YTD due to staff vacancies and replacement timing.



Transport is on track for this time of the year with monthly New Zealand Transport Agency (NZTA) reimbursements.



Consents are well ahead of income targets as there has been significant work done on Pan Pac and Port Consents in the first 6 months of the year. There is still a concern that Compliance are spending more time in non-chargeable pollution response than in chargeable compliance but overall income from the regulation space is on track.

Organisational Information

Human Resources

The Human Resources (HR) team has been predominantly focused on recruitment in the last seven months with an exceptional number of new roles created as part of the LTP process. The HR team was increased from 1 FTE with .5 FTE administration support to 3 FTE in 2018. This team also deals with health and safety with external assistance.

A new performance management process was also developed and introduced this financial year which focuses on a number of key aspects of staff performance. This will be further refined to ensure it is workable and adding value.

A review of the remuneration structure is also under way to ensure it is fit for purpose and meets the varied requirements of a modern work force.

A manager and team leader development programme has been expanded this year after very positive feedback from an initial group of managers who undertook the initial 12 month programme.

An external audit of health and safety processes and practices was undertaken in the latter part of 2018 and identified a number of measures that should be taken to improve and implementation of these are currently underway.

	January 2019	2018-19 YTD	2017-2018
Full - Time Equivalents (FTE)	242.5	242.5	237
Number of positions	258	258	253
Number of part time positions	39	39	38
Number of fixed term positions	11	11	15
Vacancies	6	6	47
Resignations	5	11	16
Accidents/Incidents	9	43	67

Current staff percentages

	January 2018 (%)	July 2018 (%)
Male Staff	50.4	46.6
Female Staff	49.6	53.4
Male Staff - 3 rd tier manager and above	61.1	63.5
Female Staff - 3 rd tier manager and above	38.9	36.5

Leave

	January 2019	June 2018
Average Annual Leave Balance *	10 days	15 days
Average Sick Leave taken*	3.18 days (YTD)	5.7 days (full year)

*Excluding Works Group

Of the 14 councils, nine record the average sick leave days taken metric with HBRC at the lower end of the scale in terms of days taken

Recruitment and Retention

Turnover in the YTD period has remained low but we have had significant issues recruiting in the area of river and drainage engineers despite doing extensive advertising and passive applicant identification through sources like LinkedIn. There is a national and indeed worldwide shortage of experienced and qualified river engineers.

We have a good package of benefits offered to applicants that compare well with other employers and salaries that are assessed against the market to ensure we are able to compete in the market. Salary data is reviewed annually.

Some roles will always take significantly more time and resource to fill. We have recently adopted a new recruitment process which has helped in some areas, e.g. senior planners but has not worked well in engineering roles. We are currently exploring another option to more clearly identify and approach passive applicants who may not normally apply but who have the skills we need. We also need to accept that overseas search is another option requiring more focus.

Recruitment expense is currently \$125,598 for the YTD from a total year budget of \$140,000. This budget was significantly increased from previous years due to the anticipated increases in recruiting the staff signalled in the LTP. It also reflects in part, the use of relevant specialist recruitment consultants to recruit for difficult to fill roles, e.g. river engineers. Council has tried to play a small part in addressing the shortage of river engineers by employing an engineering cadet each year during vacation period with the option of a year's full time employment at the end of their study. Unfortunately, we have been unsuccessful in getting any of the students we have hired over the last 5-6 years in the cadetship, into the final year employment option, for a variety of reasons. It is a programme we will continue with. Nationally, there is a programme of work underway, sponsored by the river engineers special interest group (SIG) and initiated by the human resources SIG, to consider a range of initiatives to improve the national situation. However it will be a few years before any direct benefit comes from this programme once commenced.

Health and Safety

We are proactive in the health and wellbeing of employees and encourage staff to utilise the workplace programmes on offer, in the 7 months to date 40 mole maps were completed with 10 staff being advised to have further treatment, and 3 pre-cancerous lesions were identified. Eye tests (3) and work station assessments (2) have also been completed by staff.

For the next two months our wellbeing focus will be on 'moving well'

Resulting from the recent Crowe Horwath audit recommendations, the following draft documents have been prepared:

- An implementation plan has been prepared which outlines the actions planned over the next 12 months to address the audit recommendations. This will be considered shortly by the Executive.
- A Health and Safety governance charter for Council has been drafted for Executive consideration.
- A Council Health and Safety Strategic Plan 2019-2021 has been drafted to outline longer term goals and which links to the governments Health and Safety at Work Strategy 2018-2028, for Executive consideration.

Health & Safety risks across the organisation are currently being reviewed.

Recently the government announced the availability of funding for initiatives to improve health and safety. We have initiated a meeting with the other four councils in the region to discuss a regional application for a health and safety initiative with contractors to compliment what we presently achieve using Sitewise for pre-engagement H&S documentation from contractors.

A process to have Executive and Councillors undertake appropriate site visits is being developed.

Media Summary

From the beginning of this year all media enquiries that come into the Regional Council are now recorded. This gives us the ability to analyse how many enquiries we are receiving on certain subjects and the types of media requesting information.

For the month of January, we received 30 media enquiries on a variety of subjects including 7 on Pan Pac wastewater, 3 on the Port sale and 3 on the Clifton cliff collapse. Three media releases were issued. The Media log is as Appendix 2.

Local Government Official Information Management Act (LGOIMA) Summary

In the period of this report we had 50 LGOIMA requests to respond to, out of these 1 was withdrawn, 2 were partially withheld, 1 partially refused and 2 were refused. For the same period in the 17/18 year we had 52 to respond to. A LGOIMA log is attached as Appendix 3.

Risk

Council's risk management policy is to hold six monthly risk management workshops with Group Manager's and their direct reports. Strategic level risks were assessed and reanalysed in these workshops and Executive members have additionally committed to further driving risk mitigation strategies. The risk matrix was presented to the finance, audit and risk sub-committee in both September 2018 and February 2019. These presentations consisted of providing the most up to date organisational risk matrix, along with a summary of "what's changed" and detail surrounding further progress and capability within HBRC. Sub-committee members were comfortable with both updates, with questions raised around level of detail within the matrix for CDEM, staff retention and welfare, and environmental protection which will be a focus for the next sub-committee update. There is a planned review of risk management to occur within Quarter 1 of 2019/20.

Group Information

Integrated Catchment Management

Science

The Science team finalised its contributions to the Tutaekuri, Ahuriri, Ngaruroro and Karamu (TANK) policy process, including final work with the various focus groups and the main TANK collaborative group. Several significant reports on associated technical work were completed, particularly from groundwater-surface water modelling. Technical contributions and evidence on water quality and hydrology were provided to the hearing on the proposed Water Conservation Order for the Ngaruroro River. Improved methods for delineating proposed source protection zones around aquifer drinking water supplies were completed and discussed with the Joint Working Group on Drinking Water. The National Institute of Water and Atmosphere (NIWA) were persuaded to operate a subsea 'glider' in Hawke Bay to collect new ocean data. A draft 'suitable to burn' app was created to help reduce the impact of agricultural burning.

Performance Measure	Actual Performance
Publish 12 monthly State of Environment (SOE) reports and publish annual SOE reports for 2018/19, and 5-year summary report	Trend reports have been published monthly. The annual report cards have been published for 2018. The 5-year report is being designed and written
Analysis & reporting - publish investigative reports on particular environmental science topics	<p>The following reports were published:</p> <ul style="list-style-type: none"> • Surface water quantity scenario modelling in the Tūtaekurī, Ngaruroro and Karamū catchments • Heretaunga Aquifer Groundwater Model Scenarios Report final • GNS Science Heretaunga Modelling Uncertainty Runs Letter Report White 2018 • Aqualinc Irrigation water demand land surface recharge assessment Heretaunga • Aqualinc TANK upper catchments Irrigation demand modelling Final 20180713 • Stochastic source protection zone delineation in Heretaunga Aquifer using a numerical groundwater model • Design of a Riparian Monitoring Survey for the Hawke's Bay Region • Heretaunga Plains Model Stochastic Scenario Analysis Results Letter Report • Design of a Riparian Monitoring Survey for the Hawke's Bay Region <p>Approximately 700 historical reports have also been prepared for publishing. These historical reports have now been able to be published due to improvements within the publishing process.</p>

Environmental Information

The summer programmes have all started and are progressing well through these hot dry days. Some of these include the Recreational Water Quality programme, Macrophyte and Periphyton assessments, Ecosystem health as well as numerous low flows for the compliance team. Samples have been collected on time and to the relevant National Environmental Monitoring Standards (NEMS). The two summer students have helped immensely and allowed us to continue to gather the large amount of information required for Scientific reporting. Jay Barnard, Tom Edwards and

Graham Morton have also joined the team and have fitted in extremely well. The full team is now located together on the 2nd floor Southern wing of Dalton street which has made life easier on a day to day basis.

Activity	YTD Total
Water Quality (WQ), bug and Phormidium samples taken	1010
Ecology assessments completed	167
Recreational WQ samples taken	319
Flow gaugings	297
Hydrology site inspections	685
Loggers deployed	68
Groundwater inspections & samples	1149
Data requests	39

Catchment Services - Biodiversity

Performance Measure	Actual Performance	Status
Purchase new releases of biological control agents & financially support new agent research	1 release of bio control for Japanese honeysuckle released	
Actions in response to Total Control plant pests, high risk areas & identification of privet sites	1270 Total Control sites visited 38 high risk areas visited 131 privet sites notified	
Annual trend & education programme prepared	Due for completion 30 May, process on target to complete before due date	
Review management of Possum Control Areas (PCA) boundaries & implement Good Neighbour rules	Southern regional boundary subject to agreement with Horizon Biosecurity staff undertake possum control Staff in discussions with Gisborne District Council (GDC) for similar agreement on northern boundary Pest Management Plan operative as at 1 Feb Discussion with DOC over Good Neighbour rules to occur over the next 6 months	
Undertake possum control along boundaries where there is a risk of re-infection	Controls in place for Ruahine PCA, Ruahine Extension & Erepeti PCA	
Provide effective possum control product subsidy	Scheme well supported, products available from Farmlands & PGG Wrightsons	
Monitor at least 10% of area under PCA programme	All scheduled chew card monitoring on target Residual Trap Catch Indices (RTCI) for current season is 1.6% with 12% (33 monitoring lines) exceeding 5%. Total monitoring area is 92,391 ha's.	
Annually treat every rook nest in HB	45 active nests north of SH5 treated 223 south of SH5 treated 269 rooks poisoned due to 9 enquiries being made to Council	
Record & respond to where rabbits are damaging neighbouring properties	No owner complaints received 37 enquiries received & responded to within 5 days, assistance provided as appropriate. Rabbit night-counts scheduled between April & July	
Prepare management plan where rabbit numbers above McLean Scale 4	No properties identified	
Schedule, facilitate & record meetings with Biodiversity Forum to develop Biodiversity Action Plan	Plan agreed by Biosecurity Foundations & Guardians	
Work with Accord partners to establish & administer a charitable trust	Trust established, ongoing discussions occurring to become independent	

Catchment Management

Since July 2018 the main focus of the Catchment Management team has been on the establishment of the Erosion Control Scheme (ECS). This has included the development of core operational procedures and supporting documentation/tools to establish the scheme. Catchment Management are managing live applications and are now in a position to manage landowners from eligibility through development of a multi-year erosion control plan, guide the application and contracting process, audit completed works are to specification and provide first level approval for payment of invoices. Client services are linked in through the contracting and financial management functions.

Projects	Target	Results YTD
Erosion Control Scheme (ECS)	Targeting areas of highly erodible land within the Hawke's Bay. Approximately 252,000 hectares of Hawke's Bay hill country has been identified through modelling as being at high risk of erosion.	The start of this Financial Year (FY) were focused on scheme establishment. Currently staff are engaging with landowners and establishing erosion control plans. We have 13 applications being process with a total value of \$402,141. And as an indication of the value of potential projects arising from landowner engagements, our pipeline shows a total values of \$1.2M for year one.
Hot Spot – Ahuriri	<p>Ficopomatus removal: To estimate the total areal extent of Ficopomatus establishment in the estuary. To remove biomass to try and reduce foothold.</p> <p>Catchment works: Continue to work with landowners identified in the Ahuriri Catchment Land Action Plan.</p> <p>Wharerangi Stream Ecological Restoration: work with landowners and DOC to establish an ecological restoration plan, and undertake works.</p> <p>Catchment Hydrology: SOURCE model development to support the development of a better understanding of the environmental flow needs of the Ahuriri Estuary.</p>	<p>Ficopomatus removal: Aerial survey completed in December.</p> <p>Wharerangi Stream Ecological Restoration: HBRC engineers will start the Wharerangi Stream stabilisation plan in February.</p> <p>Catchment works: 6 key/large landowners committed to fencing, planting and/or wetland enhancements. \$40k allocated to date. Landowner contribution equals 50% of total work cost).</p> <p>The Ministry for the Environment/Hohepa lower Taipo Stream wetland project has been successfully completed and the HBRC contribution for this from the funding has been approved (\$24k).</p>
Hot Spot – Lake Whatuma	This year our focus is on collaborating with tangata whenua, and other key stakeholders, to establish options for Lake Whatuma.	Key stakeholders and iwi agreed a collaborative approach to understand local community and iwi vision and values. This understanding was needed prior to the establishment of any management plan for the lake Furthermore a large portion of the lake is privately owned by a consortium of 15 individuals, and with the possibility that the lake could be purchased a lake/land valuation has been completed. The and the findings are currently being reviewed by the lake/landowners
Aramoana (McHardy) potential land acquisition 44ha of coastal land.	Discussion with landowner, undertake a valuation, establish a	Initial discussion with landowner. Valuation assessment completed and

	management plan then potential purchase.	is being reviewed by the consortium of landowners.
External Funding		<p>\$5.4M - Hill Country Erosion Fund (MPI): Catchment Management team have successfully secured \$5.4million in funding which includes work on the ground, capability building (4.5 new staff), monitoring, and reporting. Funding starts July 2019 for four years.</p> <p>\$100k - Whakaki Economic and Cultural Assessment (MPI) – secured. Funding has started and the project will be completed 2020.</p>

Water Information Services Projects	Targets	Results YTD
Irrigation Check Up Programme 18/19	Undertaking approximately 50 irrigation system checks	54 systems checked to date.
Landowner/ consent holder engagement	Minimum of 200 site visits annually to consent holder properties, spanning whole Hawke's Bay region	59 visits
Water User Groups	Regular meetings and contact with the three local water user groups and other relevant industry groups (HortSector).	Maintaining contact with three local water users group Ran two facilitated meetings with Big water users in Hawkes Bay.

Corporate Services

ICT

Integrated Regional Information System (IRIS) phase one has been completed and the project team are currently working on lessons learned and some system corrections on the billing and invoicing backend.

IRIS phase two which will provide integrated platforms and tools for the ICM group will shortly be under way, suppliers are currently reviewing ICM process maps and matching them to the product in order for the budget to be finalised.

The Customer Relationship Management System (CRM) Project is expected to begin in March. Preparatory work is taking place, with a review of existing systems to collate contacts data. This is a significant project which will change the way in which we manage customer data. It will eventually integrate and support all areas of the organisation, and provide for improved stakeholder and customer management. It will offer complete mobility and create a better experience for both the organisation and its customers.

The Council drone policy has been reviewed to give options for storage and recommendations for metadata standards.

There is a review of Council reporting for level of service measures and outputs. This will take into account current use, future plans and possible integrations with enterprise applications.

Finance

Rates for the year were due at the end of January and penalty letters were issued in the first week of February. There were just under 10,000 penalty letters sent out in comparison with 11,000 the previous year. This is mostly due to a major push for direct debt sign ups.

Debt recovery is ahead of this time last year even with the increased rate take which is an excellent result.

Client Services

Heatsmart numbers are slightly down over summer as expected with an increase in uptake expected heading into winter.

Heatsmart	Actual (# of properties)	Pro-rata (# of properties)	% Acheived
Insulation loans	110	300	37%
Clean heat loans	89	117	76%
Clean heat grants	258	292	88%
Totals	457	709	

The Sustainable Homes programme launched in October with encouraging enquiries and uptake.

Sustainable Homes	Actual Spent YTD (\$)	Pro Rata Budget (\$)	% Spent of budget
Solar hot water	9,565	There is one budget to cover all activities	
Solar PV	-		
Double glazing	-		
Water storage	15,217		
Waste water	14,583		
Ventilation	-		
Clean heat	26,304		
Insulation	245,652		
Total	311,321		290,000

Erosion Control Scheme administration is in its early stages with the number of applications increasing over the last month.

Erosion Control Scheme	Volume	\$ Committed 18/19 year	\$ Spent Current Year	Future Year Commitments – years 2 & 3
Poles	901	26,840		
Fencing	47,273 meters	288,424	\$34,516	
Planting	2,200 plants	254,027		
Weed control	4 applications	1845		
Other	6 applications (diggers, dams)	34,400		
Totals		\$605,536	\$34,516	\$336,109

Procurement and Contracts management policy and processes are currently being reviewed and recommendations from an earlier Crowe Horwath audit are being addressed. A revised procurement policy will be presented to the 22 May 2019 Finance Audit and Risk Committee for consideration with an update on the contract management review.

Fleet and Facilities

The internal redevelopment of the Dalton Street office continues with the compliance team moving back into the building from Raffles Street and walls being removed from the Engineering area to

make that space more open plan. Painting and carpeting in a number of areas throughout the building will continue over the next few months.

A total accommodation review is underway to determine the long term needs of the organisation. This will be presented to Council for consideration later in the year.

Vehicle Fleet	January 2018	January 2017
Total Fleet Numbers	68	58
Plug in Hybrid Electric Vehicle	3	2
Hybrid Vehicle	2	2

Total fleet numbers increased from 58 to 68 during the period due to increase staff numbers as per planned. Fully electric vehicles have increased from 2 to 3, hybrid remains at 2. The Regional Council has an EV first policy although this is a little hamstrung at the moment given there are no EV options available for 4x4 utilities and they make up 70% of the Council fleet.

Marketing and Communications (MarComms)

The MarComms team is currently in a process to restructure this department, it is a review of resource requirements and the appropriate structure to support the organisation.

The MarComms team promoted a Swim thru Summer campaign from 1 December to 31 January. Drawing public attention to the region's great swim spots, it used radio and newspapers, digital channels, videos, vehicle wraps and bus-backs. This complimented the concurrent joint-councils' water conservation campaign running from 1 November to 31 March.

Facebook Likes for January sat at 5,093. The 5 most popular posts in January related to Water Quality, Swim thru Summer and Rates.

Website page views in January were 51,162. 57% of sessions were viewed using a desktop and 43% using mobile or tablet. The most popular pages were: Rates, River levels, Quick Facts, How to Pay (rates) and Swimming.

Maori Partnerships

Māori Partnerships welcomed its Te Pou Whakarae in October 2018, Pieri Munro, with a pōwhiri substantially planned and organised by HBRC staff. During the current year, the capability of the unit has achieved the introduction of a Māori card set designed to assist staff to access Māori words and phrases, it has also investigated the digital application Te Kete Maruiti (Worksafe) as a replicable product. In addition, the group is scoping a cultural capability framework as a modular tool to lift the cultural competency for HBRC staff. A key upcoming focus will be the development of HBRC's first Māori Partnership strategy, which will provide an overarching strategy designed to embed a far better understanding on the way the Council embraces Māori culture, customs and practices and uses this in every facet of its business. During this period the Maori Standing Committee met 4 times, the Regional Planning Committee 5 times and there were 4 Bi-Lateral meetings with 3 Post Settlement Group Entities (PSGE), Maungaharuru Ki Tangitū, Mana Ahuriri Trust and Ngāti Pāhauwera Development Trust. A further meeting with Maungaharuru Ki Tangitū was scheduled but cancelled at the last minute.

Asset Management

The focus of Asset Management Group over the last seven months has been recruitment of team going forward.

A minor restructure lead to the creation of two new roles being Asset Management Lead and Manager Regional Projects. The Asset Management Lead was created to deliver a roadmap for modernising asset management practices and improved automation and control of scheme asserts. The Manager Regional Projects role was created to focus on delivery of major capital projects such as the Heretaunga Flood Control and Drainage scheme level of service increase from 1:100 to 1:500 level of projection.

Appointments have been made to the following roles: Manager Regional Projects (commencing 1st July), Manager Regional Assets, Team Leader Open Spaces, Team Leader Scheme.

Recruitment continues for Project Engineer, Design Engineer, Principal Engineer and Asset Management Lead.

Performance Measure	Actual performance
Investigations and Enquires	Many ratepayer enquiries dealt with by all team members.
Consultancy Services	Consultancy in this period has been for GDC - Waipaoa stopbank upgrade, modelling and appearing at hearing, as well as Awapuni analysis. Dam break analysis for client in Central Hawkes Bay (CHB). Dam break analysis for client in Wairarapa. Bridge hydraulic analysis for client in Gisborne (not GDC). Stopbank analysis for proposed Ebbett extension on Tutaekuri.
Westshore Coastal Works	Renourishment completed.
Coastal Processes	Coastal Strategy on track. Modelling work for Clifton to Tangoio is progressing well. Joint project funded by Napier City Council (NCC) and Hastings District Council (HDC).
River Cross Sections	On track - survey work is to be done in summer.
Regional Park Network	Regional Park assets are being maintained protected and enhanced as per plan
Flood Risk Assessment	This project is mainly used to perform analysis or design, or answer queries to do with flood issues, or the risks associated with flooding. During this period, staff time was used to produce analysis for the Esk flood in March 2018.
Flood Warning System	Flood warning system has been working well, no operational concerns.
Flood Forecasting and Hydrological Flow Management	Latest river surveys (Waipawa) have been incorporated into models. Several projects allocated to this budget are being worked on.
Waitangi Regional Park	Regional park assets are being maintained, protected and enhanced as per plan. Phase 2 planning of the Compass Wetland is currently in progress. Waitangi-Lower Tūtaekuri Flood Plain (Horseshoe Extension) Wetland currently in progress.
Pakowhai Regional Park	Pakowhai Regional Park assets are being maintained, protected and enhanced as per individual park plan. New car park completed in December.
Tutira Regional Park	Maintenance of park assets and park being progressed satisfactorily. Overall park plan and post-pine harvest planting options

	for the park currently being developed pending completion of farm environmental plan.
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CDEM

A key focus of the CDEM group is the completion of their new building in Hastings. The new office will be combined with New Zealand Police and becomes the response command centre for the Hawkes Bay. The activities completed this period support CDEM's agreed Performance Measures.

Performance Measure	Actual Performance
Response Management	The Emergency Procedures, Standard Operating Procedures (SOP) and team structures have been maintained, including inductions & training for new staff, and the Business Continuity Plan was reviewed September 2016 with current version on Herbi. The Duty Management Service continues to operate well, and has been maintained with rosters and manuals.
Reduction - Hazard Risk Assessment and Mitigation	Ministry of Civil Defence and Emergency Management (MCDEM) Resilience Fund - Hikurangi Response Plan Project commenced to mitigate risks. Project plan adopted, stakeholder workshop to be held across 5 Groups Feb/Mar. Media & educational videos being prepared. 10-year Research Plan work - Proposal provided by GNS to assist identify high hazard and high risk areas for Hawke's Bay rockfall and cliff collapse - under negotiation. East Coast Life At the Boundry (LAB) promotes public hazard awareness. Subcontracted to contribute to several science projects including MBIE Hikurangi/Seismogenesis Hikurangi Integrated Research Experiment (SHIRE) research, GNS Citizen Science, National Science Challenge Kura & Participatory Technology (P-Tech) projects, and Natural Hazard Research Platform (NHRP) Agent-based tsunami evacuation modelling. Hosted Napier Tsunami resilience workshop September.
Readiness & Response	No issues
Recovery & Coordination	On track - no issues
Local Emergency Management	On track

Strategic Planning

Strategy and Projects

The Project Management Office (PMO) was established to act as a centre of excellence for project management. HBRC now has dedicated resources to implement a consistent best practice project management (PM) framework across the whole organisation in a structured and supported manner.

19 pilot projects were selected and approved by the Executive Team as a mix of size, type, phase and cross-function across the organisation.

The reporting on these 19 projects has commenced with both the Executive Team and the Corporate and Strategic Committee and will be continuing through this organisational performance report.

The PMO report is attached as Appendix 1.

Policy and Planning

A more extensive snapshot is provided to the Regional Planning Committee (RPC) every second month so this information is already shared with Councillors and the tāngata whenua representatives

Project	Update
'Plan Change (PC) 5' Integrated land & freshwater management	Publicly notified, decisions on submissions partly subject to appeal
'PC7' Outstanding waterbodies plan change	Under preparation. Not yet Notified
'PC8' Taharua & Mohaka Catchment plan change	Under preparation. Not yet Notified
'PC9' Greater Heretaunga/Ahuriri catchment area plan change (a.k.a TANK project)	Under preparation. Not yet Notified
Timing of minimum flows in the Tukituki River catchment	Policy planning staff have been scoping out the merits of a preliminary plan change process to defer dates for some of the minimum flows in the Tukituki River catchment
Responsiveness to 'National Direction' (i.e. legislation incl NPSs, national Regulations, national standards, etc)	Staff in the HBRC policy and planning team continue to maintain active exchanges with officials within the various relevant government ministries who are leading the below workstreams and a variety of related workstreams not featured below. <ul style="list-style-type: none"> • Resource Management Act (RMA) Amendments • National Policy Statement for Freshwater Management (NPSFM) Amendments • Review of National Environment Standards (NES) on Air Quality • Review of NES for Human Drinking Water Sources • Preparation of RMA National Planning Standards • NES for Plantation Forestry • National Policy Statement (NPS) on Urban Development Capacity
Statutory Acknowledgements of Treaty settlements	No further Treaty settlement legislation relating to parts of the Hawke's Bay region has been passed into law since the previous update (21 September 2018)

Transport

During the period of this report most of the services between Napier and Hastings had patronage increases, while most of the suburban services showed decreases, including Route 14 Napier-Maraenui-Onekawa and Route 20 Hastings-Flaxmere. Our new website (www.goBay.co.nz) went live at the end of December and feedback has been very positive, with over 64,000 page views since the site went live. The project to implement a new bus ticketing and smartcard system for nine regional councils across New Zealand is now well into the implementation phase. Initial testing has been carried out but the project has been delayed due to further development and testing requirements. In April HBRC will be making some minor changes to the bus timetable.

Transportation	YTD	Monthly Average	Full Year 17/18	Monthly Average 17/18
Bus Passenger Numbers	323274	53879	666127	55511
Total Mobility Trips	48813	8135	94024	7835

Regulation Group

A number of activities have been going on in the Regulation group during this reporting period, including; IRIS going live in November for consents and compliance, forestry NES operative (June)

and implementation commenced, participation in CHB wastewater review, participation in Tuketuki taskforce as well as contributing to TANK.

Consents processed include:

- Wantara Farms application to take ground water. The last of the Otane basin allocation. Limited notified - granted.
- Clifton coastal protection works Hastings District Council. Notified - granted - no appeals.
- Port of Napier wharf extension and dredging works and disposal. Notified - granted - no appeals.
- Pan Pac direct referral (prehearings) (to be heard April 8th 2019)
- HBRC gravel consents notified (February)
- Te Mata Mushrooms Brookvale (pending hearing awaiting HDC process decisions)
- Te Mata Mt Herbert Rd Waipukurau applications lodged and in process.
- Silver Fern Takapau meat processing plant discharge permit replacement application lodged and in process
- Unconfined aquifer (Gimblett gravels, Raupare areas) consents lodged and being processed as a group
- Wairoa wastewater discharge permit replacement application lodged and in process
- Feedlot Declaration started and withdrawn

Compliance

- PanPac break in pipe
- Napier City Council damaged pipe and outfall monitoring

Harbourmaster

- Mahia speed restriction area piles installed
- Bylaw requiring Jet Ski registration implemented (85 jet skis registered). Less complaints as a result.
- Successful prosecution of boat skipper for damage to HDC outfall and navigation buoys.
- Sunken boat salvaged from inner harbour.

Consents

Performance Measure	YTD
Applications Received	217
Consents Issued	274
Consents processed within Timeframe	100%

Compliance

The decrease in resource consents monitored is attributed to the amount of time staff have been involved in implementing IRIS and inputting data. This has cut down on the available time to monitor resource consents.

Pollution Response

We have issued 50 infringement notices, 23 abatement notices and initiated 1 prosecution during this period. The infringement notices were issued for a variety of offences, 50% for discharge of

contaminant into air (smoke and/or burning), 24% for discharge of contaminant into water/land and 18% for discharge of contaminant into environment from industrial or trade premises.

Performance Measure	YTD	YTD 17/18
Number of Pollution Calls received	703	662
Number of resource consents monitored	707	846

Appendix 1

PMO

Overall Status (Change from previous report to C&S in December 2018)	Project Name	Escalations
<p>Red (No change)</p>	<p>Regional Integrated Ticketing System (RITS)</p> <p>*This is a national project to implement a new bus ticketing and smartcard system for nine regional councils across NZ. It is run by a consortium of the nine councils.</p>	<p>Schedule – The project has been delayed due to INIT (the provider) being behind schedule with system development, and a recent site acceptance testing phase has identified further issues with the back end of the system and regional inter-operability. It is likely the revised implementation date for HBRC’s system will be July 2019 (previously scheduled for April 2019).</p> <p>Budget - Further delays to the project are requiring budget revisions. Project management team is negotiating redress with the supplier.</p> <p>Risks – As noted above, HBRC’s implementation date is to be rescheduled. There are several further phases of testing which we will take part in and at which we will specifically test our own fares, routes, zone structures etc. HBRC has been assured that no region will go live until it is satisfied with the system’s functioning. All risks are being managed at the consortium level.</p>
<p>Red (No Change)</p>	<p>Public Access to Rivers</p>	<p>Scope, Budget and Schedule – This project requires a critical review to ensure clarity in scope and budget. Current project shows a duration of 10 years. It may be replaced by a number of smaller projects. The review will occur when project management resources are available. The project currently has no project manager, recruitment is continuing. Manager Regional Projects has been appointed and will start in July 2019. Team Leader open spaces has been appointed and is a key stakeholder for project scope.</p>
<p>Red (No change)</p>	<p>Heretaunga Plains Flood Protection Scheme (HPFPS) Levels of Service (LOS) increase</p>	<p>Scope and Budget – This project also requires a critical review to ensure scope and budget clarity. It may also need to be divided into smaller projects. The project currently has no project manager, recruitment is continuing. Manager Regional Projects has been appointed and will start in July 2019. Budget is \$1.1million (M) per year for construction and \$0.1M per annum for enhancement. A total of \$20M over a 20-year period. With significant project planning and</p>

		<p>design required it is unlikely that construction will commence this financial year. Cash flow based on schedule needs to be produced.</p> <p>Schedule – There is currently no high level schedule of Initiation, Planning, Execution and Closure. There are significant land issues to be resolved depending on the option selected to increase LOS from 1:100 to 1:500 which may require consultation and time to resolve.</p>
Amber (Improved)	Whakaki Hot Spot	<p>Risk - The Hot Spot catchment works are not at risk. The risk relates to obtaining Ministry for the Environment funding for the Freshwater Improvement Fund. In terms of the application, we are in a critical phase in that we need to get the remainder of the Affected Party forms signed by mid-March. There is difficulty in identifying landowners/managers of non-administered blocks. There is also a risk that the consent process may not be completed in time for the application. The process will be slowed down also if it is identified as needing to go to limited notification. The consent process is being closely monitored, no intervention is needed at this stage.</p>
Amber (Improved)	Implementation of HBRC MERI framework (Monitoring, Evaluation, Reporting and Improving)	<p>Risk – Internally, lack of knowledge and/or external resourcing for the social science aspects of the MERI. Financial implications of engaging an external consultant for this.</p> <p>Budget – A new job code has been established for council staff to put their time against for MERI implementation work. Funding has been requested for external consultants for the social science aspect of the MERI.</p>
Amber (No Change)	State of the Environment Monitoring - Lakes	<p>Risk – Diatoms look to be crashing in Waikopiro, and the lurking cyanobacteria may yet cause further problems. The lack of telemetry to enable automated warnings is a risk because it means we are unable to act as quickly.</p>
Amber (No change)	TANK (Tutaekuri, Ahuriri, Ngaruroro and Karamu) to becoming operative	<p>Schedule – Minor amendments to the schedule resulting from the Outstanding Water Bodies (OWB) programme (allowing for workshops to occur early 2019).</p> <p>Budget – Consideration is being made to the appropriate options for advertising the plan change mid-2019. There will be budget implications regardless, just varying</p>

		<p>degrees of cost.</p> <p>Additional budget is required to enable consultant to complete the s32 evaluation report. This is yet to be finalised.</p> <p>Risks – The timeframe for the OWB has the potential to significantly delay the notification of the TANK plan change (should there be further delay in the process beyond the anticipated timeframe). This would be beyond control of staff, Regional Planning Committee (RPC) and Council.</p> <p>The GNS peer review of the numeric modelling is being discussed by the Joint Working Group (JWG) on 28 February. There is potential risk involved should there be disagreement to support the peer review, potentially leading to JWG and HBRC having opposing opinion. This would then be reported to the RPC for their determination of model to be adopted in the plan.</p> <p>Scope - No further change to scope this period.</p>
<p>Green</p>	<ol style="list-style-type: none"> 1. IRIS Phase 1 (Integrated Regional Information System Implementation) (Improved) 2. Napier Port Consultation (Improved) 3. Ecosystem Prioritisation and Implementation 4. Te Waiu o Tutira 5. Ahuriri Hot Spot 6. Ruataniwha Groundwater 7. Predator Free Hawkes Bay 8. Future Farming Initiative 9. Hawke’s Bay Tourism Funding Review 10. Farm Environmental Management Plans 11. Improving Quality of Council Reports 12. Establishment of the Erosion Control Scheme 	

Appendix 2

Media Log

Date	Media	Topic	Outcome
13/1/19	Astrid Austin-HB Today	PanPac wastewater outfall leak	Liz spoke to her
14/1/19	Anusha Bradley – RNZ	PanPac Wastewater outfall leak & Te Mata Mushrooms	Liz spoke to her
14/1/19	Kate Gudsell – RNZ	LAWA Rec Water Quality	Anna MS spoke to her
14/1/19	Ann - Wairoa Star	Port sale – local shares	Sent a reply about process now
15/1/19	Georgia-May Gilbertson	Update on Tutira Manuka Plantation	Sent some info and Ben Douglas speaking with her
15/1/19	Erik Fykberg - RNZ	More details for his Irrigation documentary	Gave him details on Heretaunga groundwater allocation
15/1/19 & 16/1/19	Anusha Bradley	Seeking details about water quality around PanPac wastewater leak	Liz spoke to her – doing interview 17/1/19 Supplied water test results
16/1/19	Chris Hyde – HB Today	What are river levels looking like	Checked with Craig – no issues and told media that
17/1/19	Anusha Bradley	Came to see me. Wants interview with James around Kahutia Carbon proposal and baybuzz advertising and also potential port petition	Interview organised for next week
17/1/19	Astrid Austin	Waimarama Beach Day called off because of toilets overflowing – what are we doing	Mike Alerbadi contacted HDC – we will send pollution response team out there in the morning
18/1/19	Anusha Brandley RNZ	Wanting a lot more info on Panpac	Jo dealt with this and sent her info
18/1/19	Astrid Austin	Waimarama Beach Day	Let her know that samples taken and staff visited site
18/1/19	Georgia May Gilbertson	Death by Chocolate pest query	I was away Friday – Susan CC'd in but didn't deal with it. Susan following up 21/1/19
21/1/19	Astrid Austin	Panpac wastewater pipe	Is legal action being taken? Where are things at
22/1/19	Sam Farrell - Newshub	PanPac wastewater pipe leak	Arrange TV interview with James Palmer
23/1/19	Anusha Bradley - RNZ	Kahutia Accord deal	Interview in person with James Palmer about the deal between NKII and Council
23/1/19	Bonnie Flaws – DomPost Business Reporter	General meet and greet	Meeting with James to meet and discuss potential stories
24/1/19	Radio NZ Morning Report	Wanting interview with HBRC on Clifton Cliff collapse	After discussion left with HDC as the lead agency
25/1/19	Daniel at Newshub	Wanting interview on Cliff collapse	Gave them Jane McKay at HDC's number
25/1/19	Australian media through Jonathon	Around port sale and who will be involved	Blair to speak directly with media involved – with prepared statement

28/1/19	Anusha Bradley – RNZ	Wanting to know when Panpac investigation will be completed	Suggested she call back in a couple of weeks
28/1/19	Patrick OSullivan	Wanting to interview Keiko about black billed gulls	Contacting Keiko
28/1/19	Wairoa Star	Asking about kids jumping off protection works by playground	Told them meeting planned tomorrow with HBRC and HDC to discuss safety concerns
29/1/19	Sean Hogan-One News	Asking about the tomorrow/'s council meeting – Cape slip, Panpac, Port	Discussed and will text tomorrow if needs more
29/1/19	Anusha Bradley – RNZ	RFP talking about listing on NZX and ASX – why did we not consult on this	Statement sent from Rex & Blair
30/1/19	Wairoa Star	Follow-up questions on Kids jumping off protection works	Sent a response
31/1/19	Laura HB Today	WCO	Sent details of our submission and when the Special Tribunal is sitting 26 Feb
31/1/19	Newshub Ruwani Perera	Concerns about incorrect info in story on maori burial grounds and climate change	Held meeting and drafted statement and sent to reporter raising concerns
31/1/19	Laura Radio NZ	Wanted comment on LGNZ report on sea level rise effect on infrastructure	Put in touch with Peter Beaven for interview
31/1/19	DomPost- Marty Sharpe	Request for photo of Councillor Peter Beaven	Photo found and sent

Appendix 3

LGOIMA Log

Requests Received	Response Due	Date Responded	Request Status
Whakaki Lake Trust	9/07/2018	11/06/2018	Completed
Council income	6/07/2018	19/06/2018	Completed
Provincial Growth Funds	13/07/2018	27/08/2018	Completed (partially withheld)
Enforcement actions for discharge contaminants to water	18/07/2018	22/06/2018	Completed
Publicly owned property sold	19/07/2018	16/07/2018	Completed
Tukituki water take data	20/07/2018		Withdrawn – 27/06/18
Non-compliant wood burners and Hawkes Bay Air Quality	24/07/2018	26/06/2018	
Sale of Ruataniwha Water Storage Scheme (RWSS) assets and intellectual property	31/07/2018	19/07/2018	Completed (partially withheld)
Information relevant to Te Pohue property	1/08/18	16/07/2018	Completed
Tegel Enforcement Actions	1/08/18	5/07/2018	Completed
Thompson and Clark Private Investigators	2/08/2018	9/07/2018	Completed
Greywater recycling systems	8/08/2018	20/07/2018	Completed
Wastewater compliance	14/08/2018	24/07/2018	Completed
Resource consents on Coast from Napier south to regional boundary	15/08/2018	23/07/2018	Completed
Territorial Local Authorities (TLA) compliance with wastewater and stormwater discharge consents	23/08/2018	6/08/2018	Completed
Sale of RWSS Intellectual Property (IP)	28/08/2018	3/08/2018	Refused
Dairy effluent discharges	31/08/2018	7/08/2018	Completed
Regional fuel tax	31/08/2018	6/08/2018	Completed
Smoke complaints	13/09/2018	16/08/2018	Completed
Council travel expenditure	17/09/2018	10/09/2018	Completed
Provincial Growth Fund Application staffing	19/09/2018	4/10/2018	Completed
Vehicle Provided for Chairman	25/09/2018	14/09/2018	Completed
Water bottling operations	25/09/2018	17/08/2018	Completed
Maori staff	1/10/2018	11/09/18	Completed (Partially refused)
IT Staff remuneration	9/10/2018	20/09/2018	Completed
Audit and Borrowing	17/09/2018	19/09/2018	Completed
Building efficiency	29/10/2018	7/11/2018	Completed
Lobbying	15/11/2018	29/10/2018	Completed
Hawkes Bay Chamber of Commerce Sub-contract	16/11/2018	26/10/2018	Completed
Port of Napier Ltd (PONL) Annual Reports	20/11/2018		Refused
Provincial Growth Fund Applications	23/11/2018	31/10/2018	Completed

Our Port consultation document distribution	28/11/2018	14/11/2018	Completed
Ngaruroro and Clive rivers Water quality and quantity data	30/11/2018	15/11/2018	Completed
Our Port consultation document distribution costs	13/12/2018	22/11/2018	Completed
Baybuzz advertising	14/12/2018	14/11/2018	Completed
Walnut trees cut down and Karamu planting	13/12/2018	20/11/2018	Completed
Bullying and harassment complaints	13/12/2018	19/11/2018	Completed
Our Port consultation	13/12/2018	21/11/2018	Completed
Water discharge consents for Napier Port	14/12/2018	19/11/2018	Completed
Koru Club membership	19/12/2018	28/11/2018	Completed
Feedlots	20/12/2018	20/12/2018	Completed
Koha	21/12/2018	3/12/2018	Completed
Water take resource consent	7/12/2018	21/11/2018	Completed
Staff Christmas celebrations	19/12/2018	5/12/2018	Completed
Bore pump test results	14/01/2019	27/11/2018	Completed
Local Government Funding Agency accession deed	19/12/2018	30/11/2018	Completed
Ngaruroro Karamu water allocation	21/12/2018	11/12/2018	Completed
Chicken farming resource consents	24/01/2019	7/01/2019	Completed
Progressive Leathers resource consents	24/01/2019	7/01/2019	Completed
Civil defence buildings	25/01/2019	8/01/2019	Completed

Appendix 4
Financial Information

HAWKE'S BAY REGIONAL COUNCIL						
OPERATING STATEMENT						
Seven Months Ended 31 January (Pd 07)						
	NET FUNDING REQUIREMENT				ANNUAL BUDGET \$,000	ACTUAL / ANNUAL BUDGET (%)
	After 7 Months					
	ACTUAL \$,000	PRO RATA BUDGET \$,000	ACTUAL / PRO RATA \$,000	Favourable/ Unfavourable		
GROUPS OF ACTIVITIES						
Strategic Planning	(1,210)	(1,331)	122	F	(2,733)	44%
Asset Management	(1,686)	(1,573)	(113)	U	(2,553)	66%
Integrated Catchment Management	(5,315)	(5,655)	340	F	(10,101)	53%
Consents & Compliance	(1,174)	(1,289)	115	F	(1,679)	70%
Emergency Management	(43)	(83)	39	F	(149)	29%
Transport	(152)	(169)	16	F	(173)	88%
Governance & Partnerships	(2,025)	(1,906)	(120)	U	(3,212)	63%
	(11,606)	(12,005)	399	F	(20,600)	56%
CAPITAL PROJECTS						
Asset Management	(155)	(400)	245	F	(520)	30%
Integrated Catchment Management	(0)	(4)	4	F	(89)	0%
	(155)	(404)	249	F	(604)	26%
NET OPERATIONS GROUP ACTIVITIES	193	169	24	F	290	67%
NET FUNDING REQUIREMENT	(11,568)	(12,240)	672	F	(20,914)	55%
REGIONAL INCOME						
Investment Company						
HBRIC Dividends (Napier Port)	-	-	-	F	10,000	0%
Other Investments						
HBRC Forestry Estate	150	150	(0)	U	258	58%
Restricted Leasehold Land Rental	85	85	(0)	U	146	58%
Investment Property Rental	494	486	8	F	833	59%
Interest	1,028	1,507	(478)	U	2,583	40%
Other Funding						
General Rate/Uniform Annual General Charge	4,048	4,043	5	F	6,931	58%
Other Income	35	16	18	F	28	123%
TOTAL REGIONAL INCOME	5,840	6,288	(448)	U	20,779	28%
OPERATING SURPLUS /(DEFICIT)	(5,729)	(5,953)	224	F	(136)	

HAWKE'S BAY REGIONAL COUNCIL

CONSOLIDATED BALANCE SHEET

	Actual 31-Jan-19 \$'000	Actual 30-Jun-18 \$'000	Management Comments
Non Current Assets			
Property, plant & equipment	22,500	21,453	1
Infrastructure assets	173,743	173,004	2
Investment property	45,846	47,102	3
Intangible assets	5,014	5,273	4
Financial assets	1,934	1,901	5
Managed Funds	15,000	0	6
Investment in Council-controlled organisations	283,500	283,500	
Advances to home owners (Sustainable Homes)	6,781	7,630	7
Forestry assets	10,800	10,698	8
	565,117	550,561	
Current Assets			
Inventories	133	122	
Accounts receivable	6,188	6,736	9
Loan to HBRIC Limited	6,500	0	10
Prepayments	376	255	11
Accrued income	1,767	2,743	11
Work in progress	227	235	11
Financial assets	13,487	56,368	5
Advances to home owners (Sustainable Homes)	753	848	7
Cash & cash equivalents	44,999	27,309	5
	74,430	94,616	
TOTAL ASSETS	639,546	645,177	
Equity	590,126	595,746	
Non Current Liabilities			
Borrowings	17,175	19,125	12
Employee entitlements	709	542	
Other liabilities	14,099	14,128	
	31,982	33,795	
Current Liabilities			
Accounts payable	1,043	3,664	13
Accrued expenses	40	4,450	14
Deposits and retentions / Income in advance	10,729	1,781	15
Employee entitlements	951	1,096	
Borrowings	3,900	3,900	12
Other liabilities	775	745	
	17,438	15,636	
TOTAL LIABILITIES	49,420	49,431	
TOTAL EQUITY & LIABILITIES	639,546	645,177	

Management Comments on Balance Sheet Movements

Note Ref	Activity	Management Comment (major variances)
1	Property, Plant and Equipment	Property, plant and equipment have increased by \$1,047,000 for the budgeted capital purchasing programme offset by depreciation.
2	Infrastructure Assets	Infrastructure assets have increased by \$739,000 since the beginning of the year reflecting capital expenses made for the maintenance and improvement of infrastructure assets offset by depreciation.
3	Investment Property	Investment property has decreased by \$1,256,000 reflecting the disposal of leasehold land properties to the leaseholders.
4	Intangible Assets	Intangible assets have decreased by \$259,000 due to the amortisation on existing assets. The IRIS project just completed phase one and should be fully complete by the end of the financial year.
5	Financial Assets	Total cash, cash equivalents and financial assets have decreased by \$25,158,000 since the beginning of the year reflecting the \$6,500,000 loaned to HBRIC Limited, the \$15,000,000 transferred to managed funds and the day to day activity of the Council through the first four months of the year before rates and dividend income is received.
6	Managed Funds	Funds transferred to investment fund managers has increased to \$15,000,000 with another \$25,000,000 to be transferred before the end of February.
7	Sustainable Homes	Advances to Home Owners through the sustainable homes programme have decreased by \$944,000 reflecting the up-take from the public since the beginning of the year offset by repayments of existing clean heat loans.
8	Forestry Assets	Forestry Assets have increased by \$102,000 reflecting the capital spending on the harvest roading for Tutira.
9	Accounts Receivable	Accounts Receivable have increased by \$548,000 since the beginning of the year reflecting the influx of rates income received before the end of January.
10	Loan to HBRIC Limited	Council approved a loan facility for HBRIC Ltd of which \$6,500,000 has been drawn down.
11	Accrued Income, Prepayments and Work in Progress	Accrued Income has decreased by \$863,000 reflecting a decrease in accruals, prepayments and work in progress provisions compared to year end.
12	Borrowings	Borrowings have decreased by \$1,950,000, being the repayments made for the year to date. 2018/19 borrowing will occur in March/April this year when Council has joined the LGFA.
13	Accounts Payable	Accounts payable have decreased by \$2,621,000 reflecting the normal operating cycle against a year end position with more payments due.
14	Accrued Expenses	Accrued expenses have decreased by \$4,408,000 compared to last year due to the payment to ACC for annuity costs and Napier leasehold sales being paid in July.
15	Deposits and Retentions	Income in advance has increased \$8,948,000 more than the end of last year due to rates income received in advance.

HAWKE'S BAY REGIONAL COUNCIL
OTHER INFORMATION
Seven Months Ended 31 January (Pd 07)

INTEREST RATE	31-Jan-19	31-Jan-18	30-Jun-18
	\$'000	\$'000	\$'000
Average Interest Rate on Liquid Investments	2.86%	3.64%	3.23%

ACCOUNTS RECEIVABLE	31-Jan-19	31-Jan-18	30-Jun-18
	\$'000	\$'000	\$'000
Rates Receivable	3,601	1,444	1,518
Payments in Advance	(711)	(341)	(1,651)
Rate Receivables	4,312	1,103	(133)
Other Receivables	2,610	2,168	5,241
Provision for Impaired Receivables	(23)	(23)	(23)
TOTAL ACCOUNTS RECEIVABLE	6,188	3,248	6,736

ACCOUNTS PAYABLE	31-Jan-19	31-Jan-18	30-Jun-18
	\$'000	\$'000	\$'000
Aged Accounts Payable			
1-30 days	3,976	4,019	3,664
31-60 days	0	0	0
61-90 days	0	0	0
Over 91	0	13	1
TOTAL ACCOUNTS PAYABLE	3,976	4,032	3,665

HAWKE'S BAY REGIONAL COUNCIL
EXTERNAL AND INTERNAL LOANS
Seven Months Ended 31 January (Pd 07)

EXTERNAL LOANS	ACTUAL to 31 JANUARY 2019				Year 1 LTP to 30 JUNE 2019			
	Balance	Repayments	Borrowing	Balance	Balance	Repayments	Borrowing	Balance
	1/07/2018			31/01/2019	1/07/2018			30/06/2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Regional Infrastructure	2,365	(200)	-	2,165	2,070	(405)	100	1,765
Regional Parks	1,794	(174)	-	1,620	1,446	(326)	160	1,280
Systems Integration	1,764	(220)	-	1,544	2,631	(495)	1,555	3,691
Sustainable Homes	13,562	(1,116)	-	12,446	14,315	(2,408)	2,700	14,607
Upper Tukituki Flood Control	100	(15)	-	85	70	(30)	-	40
Karamu & Tributaries Flood Control & Drainage	120	(20)	-	100	80	(40)	-	40
Monitoring Bores	40	(5)	-	35	30	(10)	-	20
HPFCS Flood Protection & River Control	205	(23)	-	183	160	(45)	-	115
Dalton Street Building Remediation	397	(30)	-	367	138	(31)	-	107
Science Equipment	1,719	(105)	-	1,614	1,514	(262)	495	1,747
Solar Hot Water	0	-	-	0	0	-	-	0
Energy Futures	150	(10)	-	140	130	(20)	-	110
Air Quality Site Loan	60	(2)	-	58	52	-	-	52
Erosion Control Scheme	0	-	-	0	0	(38)	1,500	1,462
FEMPs	0	-	-	0	0	(82)	500	418
Operations Group Office Extension	450	(30)	-	420	390	(60)	-	330
TOTAL	22,725	(1,949)	0	20,776	23,025	(4,252)	7,010	25,783

INTERNAL LOANS	ACTUAL to 31 JANUARY 2019				Year 1 LTP to 30 JUNE 2019			
	Balance	Repayments	Borrowing	Balance	Balance	Repayments	Borrowing	Balance
	1/07/2018			31/01/2019	1/07/2018			30/06/2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transport Electronic Ticketing	-	-	-	0	40	(25)	250	265
Computer Equipment	500	(40)	-	460	420	(80)	-	340
Science Equipment	1,140	(80)	-	1,060	980	(165)	100	915
Tutira Easements	0	-	-	0	100	(10)	-	90
Biodiversity	0	-	-	0	-	(5)	100	95
Makara Scheme Loan	206	(3)	-	203	199	(9)	-	190
TOTAL	1,846	(123)	0	1,723	1,739	(294)	450	1,895

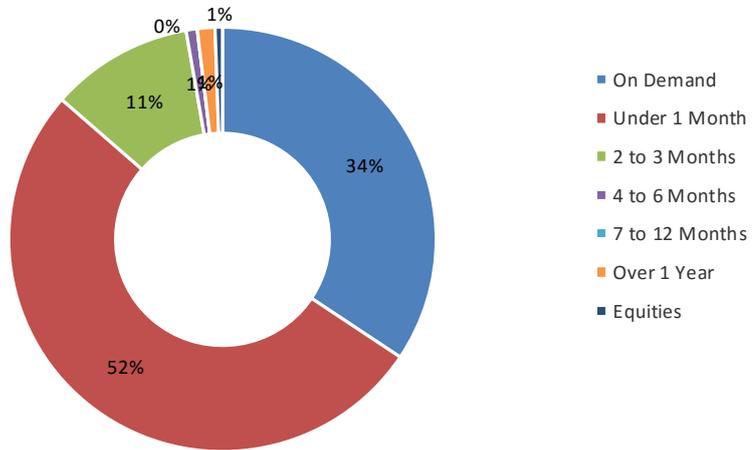
Management Comments on Borrowings

The external loan requirement for 2018/19 are to be drawn once HBRC has officially joined the LGFA. The amount that can be borrowed internally (as per HBRC Liability management policies) is limited to the funds held in the Infrastructure Asset Depreciation Reserve and the Asset Replacement Reserve.

HAWKE'S BAY REGIONAL COUNCIL

FINANCIAL ASSETS AT 31 JANUARY 2019

MATURITY PROFILE



ALLOCATION BY INSTITUTION

